



BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

Arizona Corporation Commission

DOCKETED

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DOCKETED BY

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JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG

IN THE MATTER OF THE APPLICATION OF
GILA BEND POWER PARTNERS, L.L.C., OR
THEIR ASSIGNEE(S), IN CONFORMANCE WITH
REQUIREMENTS OF ARIZONA REVISED
STATUTES SECTIONS 40-360-01 et seq., FOR A
CERTIFICATE OF ENVIRONMENTAL
COMPATIBILITY AUTHORIZING THE
CONSTRUCTION OF A NATURAL GAS-FIRED,
COMBINED CYCLE GENERATING PLANT,
SWITCHYARD, AND RELATED FACILITIES IN
THE TOWN OF GILA BEND, MARICOPA
COUNTY, ARIZONA, LOCATED IN THE
SOUTHWEST QUARTER OF SECTION 19,
TOWNSHIP 5 SOUTH RANGE 5 WEST, GILA
AND SALT RIVER BASE AND MERIDIAN.

DOCKET NO. L-00000V-00-0106

IN THE MATTER OF THE APPLICATION OF
GILA BEND POWER PARTNERS AND ITS
ASSIGNS IN CONFORMANCE WITH THE
REQUIREMENTS OF ARIZONA REVISED
STATUTES 40-360.03 AND 40-360.06 FOR A
CERTIFICATE OF ENVIRONMENTAL
COMPATIBILITY AUTHORIZING
CONSTRUCTION OF ONE 500kV
TRANSMISSION LINE AND THE
WATERMELON SWITCHYARD IN MARICOPA
COUNTY, ARIZONA ORIGINATING AT THE
PROPOSED GILA BEND POWER PARTNERS
POWER PROJECT LOCATED NORTHWEST OF
THE CENTER OF THE TOWN OF GILA BEND,
ARIZONA (SECTION 19, TOWNSHIP 5 SOUTH,
RANGE 5 WEST, G&SRB&M) AND
TERMINATING AT THE PROPOSED
WATERMELON SWITCHYARD SECTION 22,
TOWNSHIP 5 SOUTH, RANGE 4 WEST, A
DISTANCE OF APPROXIMATELY 9 MILES.

DOCKET NO. L-00000V-01-0109

DECISION NO. 69177

ORDER

Open Meeting
Phoenix, Arizona

BY THE COMMISSION:

* * * * *

Having considered the entire record herein and being fully advised in the premises, the Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

FINDINGS OF FACT

1. On April 12, 2001, the Commission issued Decision No. 63552 in Docket No. L-00000V-00-0106 ("Case No. 106"). Decision No. 63552 granted Gila Bend Power Partners, L.L.C. ("GBPP") a Certificate of Environmental Compatibility ("CEC" or "Certificate") authorizing construction of a natural gas-fired, combined cycle generating plant, switchyard and related facilities. The CEC was granted upon 18 conditions, one of which is that the authorization to construct the project would expire five years from the date the Certificate is approved by the Commission unless construction is completed to the point that the plant is capable of operating at its rated capacity by that time; provided, however, that prior to such expiration the facility owner may request that the Commission extend the time limitation.

2. On June 21, 2001, the Commission issued Decision No. 63762 in Docket No. L-00000V-01-0109 ("Case No. 109"). Decision No. 63762 granted GBPP a CEC to construct a 500 kV transmission line, a 500 kV switchyard, and a 500 kV interconnection. The CEC was granted upon five conditions, one of which is that the authorization to construct the facilities will expire five years from the date the Certificate is approved by the Commission unless construction is completed to the point that the 500 kV transmission line and 500 kV switchyard are capable of operating by that time; provided, however, that prior to such expiration the applicant may request that the Commission extend the time limitation.

3. On March 7, 2006, GBPP filed, in Case No. 106, an Application for Extension of Certificate of Environmental Compatibility, Request for Expedited Treatment and, to the Extent Necessary, an Interim Extension. GBPP requests that Decision No. 63552's deadline for completion of construction be extended until April 12, 2011, or in the alternative, that an interim extension be granted until the Commission can evaluate GBPP's request. GBPP states that it has not yet built the project authorized by Decision No. 63552 because it has not been economically viable to construct an

1 additional power plant in the Palo Verde Hub area under current wholesale market conditions.

2 4. Also on March 7, 2006, GBPP filed, in Case No. 109, an Application for Extension of
3 Certificate of Environmental Compatibility. GBPP requests that Decision No. 63762's deadline for
4 completion of construction be extended until June 12, 2011. GBPP states that in order for the GBPP
5 project to be viable, an extension must be granted in both Case No. 106 and Case No. 109.

6 5. On March 20, 2006, the Commission's Utilities Division Staff ("Staff") filed a
7 memorandum in these dockets. Staff requested that, in response to GBPP's request for expedited
8 treatment, Case No. 106 and Case No. 109 be consolidated, and that GBPP's request for an interim
9 extension of time be granted. Staff requested that the April 12, 2006, and June 12, 2006, time
10 deadlines be temporarily extended to December 31, 2006, in order to allow Staff sufficient time to
11 properly review GBPP's time extension requests and to issue a Staff Report; to allow sufficient time
12 for a hearing, if it is determined that a hearing is required; and to allow time for Commission review
13 of any proposed order. Staff requested that its Staff Report be due no earlier than July 28, 2006.

14 6. At the Commission's Open Meeting on April 4, 2006, the Commission directed the
15 Hearing Division to issue a Procedural Order comports with Staff's recommendations in the March
16 20, 2006 filing. The Commission further directed that the Procedural Order require GBPP to make
17 an additional filing for Staff review regarding the factual circumstances underlying GBPP's requests.

18 7. By Procedural Order dated April 7, 2006, pursuant to the April 4, 2006 Open Meeting
19 directive, Cases Nos. 106 and 109 were consolidated for the purpose of evaluating the extension
20 requests. The April 7, 2006 Procedural Order extended the authority to construct granted in Decision
21 Nos. 63552 and 63762 until December 31, 2006. The Commission ordered GBPP to file by May 5,
22 2006, detailed information supporting its request for extension of the expiration of authority to
23 construct granted in Decision No. 63552 and Decision No. 63762. In addition, Staff was directed to
24 file a Staff Report, including a recommendation for the appropriate procedure for reaching a
25 Commission Decision on GBPP's requests by August 15, 2006.

26 8. On August 14, 2006, Staff requested an extension until September 29, 2006 to file its
27 Staff Report because the assigned Commission staff person had taken a medical leave of several
28 weeks. By its Response to Staff's request filed August 15, 2006, GBPP did not object to Staff's

1 requested extension.

2 9. Staff filed its Staff Report on September 27, 2006. The Staff Report concludes that a
3 reasonable presumption of need continues to exist for both the GBPP power plant and its 500 kV
4 Watermelon Switchyard and 500 kV transmission line projects. Thus, Staff recommends that the
5 Commission conditionally grant GBPP the five year extension it requests for the expiration date of
6 each respective CEC. The Staff Report concludes also that GBPP has not demonstrated that it is
7 complying timely and in good faith with all of the original conditions placed on its CECs.
8 Furthermore, Staff notes, the Commission has broadened and refined CEC compliance conditions
9 placed on more recently certificated power plant and transmission projects. Staff believes that it is
10 reasonable to require GBPP to comply with amended and new conditions that are similar to those
11 placed on more recently granted CECs. Therefore, Staff recommends that if the Commission grants
12 the five year extensions requested by GBPP, that the amended and new conditions set forth in
13 Exhibits A and B of the Staff Report be adopted both as remedy to the non-compliance findings
14 concerning current conditions and to make GBPP CECs' conditions comparable with recent cases
15 approved by the Commission. Staff further recommends that failure to comply with the new
16 conditions and pre-existing CEC conditions could be considered grounds for the Commission to
17 vacate the CEC for the respective project.

18 10. Copies of Staff's recommended conditions as set forth in Exhibits A and B of the Staff
19 Report are attached hereto as Exhibits A and B, and incorporated herein by reference.

20 11. By Procedural Order dated October 6, 2006, the Commission ordered GBPP to file
21 any comments or objections to the Staff Report by October 16, 2006. The October 6, 2006,
22 Procedural Order notified all interested parties of record that the Commission could make a final
23 determination on the extension requests without a hearing, unless a party files comments or
24 objections to the Staff Report or requests a hearing no later than October 16, 2006.

25 12. On October 11, 2006, GBPP requested an extension until October 23, 2006, to file
26 comments to the Staff Report. Staff did not object. By Procedural Order dated October 16, 2006, the
27 Commission granted an extension until October 23, 2006, to file responses to the Staff Report.

28 13. On October 23, 2006, GBPP filed Comments to ACC Staff Report. GBPP supports

1 Staff's recommendations and is willing to adopt the amended and new conditions set forth in Exhibits
2 A and B. GBPP states it is not requesting an administrative hearing to address the Staff Report.

3 14. GBPP has not placed orders for any power plant, power plant switchyard, or new
4 transmission line equipment related to the two CECs. Nor has GBPP indicated that it has entered into
5 any bilateral contracts with electric utilities for the prospective sale of the plant's output. GBPP
6 reports a \$750,000 investment in the construction of a Watermelon Switchyard structure, which is the
7 only investment to date in equipment authorized by Decisions Nos. 63552 and 63762.

8 15. Staff categorizes the CEC conditions imposed in Decision Nos. 63552 and 63762 into
9 several categories: 1) ongoing regulatory obligations; 2) construction prerequisites; 3) requirements
10 to be fulfilled prior to operation; 4) construction management obligations; 5) operational compliance
11 obligations; and 6) CEC expiration date for authorized construction. Because construction has not
12 commenced, not all the conditions are applicable to GBPP's activities to date.

13 16. Staff found that GBPP had not initiated the activities required by Decision No. 63552
14 condition numbers 3, 4, 6, 14 and 17. The relevant conditions, as identified by Staff, are as follows:

- 15 3. Applicant shall provide to the Commission, not more than twelve (12) months
16 prior to the commercial operation of the plant, a technical study regarding the
17 sufficiency of transmission capacity to the plant.
- 18 4. Applicant shall submit to the Commission an interconnection agreement with the
19 transmission provider with whom it is interconnecting.
- 20 6. Applicant will use commercially reasonable efforts to become a member of the
21 Southwest Reserve Sharing Group, or its successor, thereby making its units
22 available for reserve sharing purposes, subject to competitive pricing.
- 23 14. Applicant will, where feasible, develop an ongoing relationship with an
24 appropriate educational institution in the State of Arizona to develop research
25 projects to evaluate the ability of newly established vegetation to resist
26 competition by salt cedar.
- 27 17. Applicant shall participate in good faith in state and regional transmission study
28 forums, such as the Central Arizona Transmission study, to terminate a second
transmission line out of the Gila Bend power plant that serves the transmission
system grid needs to deliver power throughout the Western System Coordinating
Council grid in a reliable manner. Applicant shall take all commercially
reasonable efforts to ensure that such transmission line shall be timely constructed
in accordance with the needs of the integrated transmission grid.

17. In its review of GBPP's extension request, Staff states that GBPP has not been an active participant in SWAT, STEP or CATS transmission study forums. According to Staff GBPP has not filed ten year plans annually with the Commission or participated in the Commission's Biennial Transmission Assessments since receiving its CECs. Similarly, Staff states GBPP has given no indication that it has attempted to develop an ongoing relationship with an educational institute to develop research evaluating the ability of newly established vegetation to resist competition by salt cedar as required by Condition No. 14. Staff recommends that if the CEC extension is granted, the deficiencies it has identified warrant remedies that modify or strengthen GBPP obligations to initiate these activities and would continue them on an ongoing basis until the conditions are fulfilled and the plant is operational.

18. Decision No. 63762 contains five CEC conditions of which only the first three Staff states are applicable at this time. The relevant conditions as identified by Staff are as follow:

1. Applicant shall comply with all existing applicable air and water pollution control standards and regulations, and with all existing applicable ordinances, master plans and regulations of the State of Arizona, the County of Maricopa, the United States and any other governmental entities having jurisdiction.
2. Applicant shall provide the Commission with copies of any transmission agreements it ultimately enters into with APS and SRP, respectively, within 30 days of execution of those agreements.
3. In connection with the final design and construction of the transmission line and switchyard facilities herein authorized, applicant shall:
 - a. Use existing access;
 - b. Minimize vegetation clearing;
 - c. Revegetate or restore areas of construction disturbance;
 - d. Use non-specular conductor and dulled structures;
 - e. Consolidate proposed 500 kV and existing 230 kV transmission line facilities on single supporting structures (pursuant to the request of the Town of Gila Bend and members of the public);
 - f. Where possible, match the transmission supporting structure height and span distance with those APS Gila River 500 kV transmission line facilities previously authorized in Case No. 102 (pursuant to the request of the Town of Gila Bend);
 - g. Locate the transmission line supporting structures so that the line spans the archeological site identified in that the line spans the archeological site identified in Applicant's cultural resources study;
 - h. Complete the native plant survey prior to commencement of construction and, if necessary, develop a plant salvage program;
 - i. Landscape the Watermelon Switchyard with arid plant materials ; and
 - j. Construct an 8' to 10' earthen berm on the west side of the Watermelon

Switchyard in the location depicted in Applicant's hearing Exhibit A-4.

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2 19. Staff states that in its May 8, 2006 self-certification letter related to its transmission
3 line CEC, GBPP reported no compliance activity regarding these three conditions. Staff is concerned
4 with the failure to comply with Condition Nos. 2 and 3.H. Staff notes that GPBB reports that it has
5 invested \$750,000 to expand the construction of a Watermelon Switchyard structure, and Staff
6 believes that it is highly unlikely that a utility would perform such construction without some form of
7 transmission agreement. Although Condition No. 2 of Decision No. 63762 requires GBPP to file
8 copies of transmission agreements within 30 days, no such agreements have been filed. Similarly,
9 Staff notes Condition No. 3.H requires completion of the native plant survey prior to commencing
10 construction, but that no such environmental activity was reported to the Commission prior to
11 construction. Staff recommends that these deficiencies warrant remedies with more definitive
12 compliance obligations if the expiration date of the CEC is to be extended.

13 20. In its October 23, 2006 Comments, GBPP states that it submitted its ten-year plans to
14 the Commission in 2002, 2003 and 2005, and asserts that it believes that it has made good faith
15 efforts to comply with the conditions that are currently applicable in Decision Nos. 63552 and 63762.

16 21. Staff believes there is support for the presumption of possible need for the GBPP
17 power plant and other similar gas fired plants within the next five years. Staff states that according to
18 the 2006 WECC Power Supply Assessment, the Desert Southwest could be deficient in planned
19 reserve margins as early as 2008. Staff notes that some parties have postulated that over the next two
20 to three years, Arizona utilities are likely to fully grow into the currently idled capacity or low
21 capacity factor energy production of new gas fired generation constructed in Arizona since 2001.
22 Staff states there also appears to be a growing short term need for access to new resources being
23 developed in the Desert Southwest, that the construction of planned new power lines out of the Palo
24 Verde Hub to California and Nevada will further enable transmission access between Arizona power
25 plants and the western wholesale market. Staff further notes that the GBPP generation plant is one of
26 eight gas fired power plants with an authorized CEC approved by the Commission that have not been
27 constructed. Those eight plants have total capacity of 5575 MW, and their respective CECs will
28 expire in 2007 and 2008. Staff believes that while the market need for these plants is soft and ill-

1 defined at the present time, there are signs that the industry is on the cusp of renewed interest in
2 quick, short term, generation fixes for which these plants are well suited.

3 22. Staff also believes that there is a reasonable presumption of transmission system need
4 for the GBPP transmission projects within the next five years irrespective of development of the
5 GBPP power plant. Staff notes that the Commission has authorized GBPP to build new transmission
6 lines from Hassayampa to the Jojoba Switchyard and from the Watermelon Switchyard to the GBPP
7 Switchyard. Staff states that these two line segments could be coupled with the two existing APS
8 500 kV lines between Jojoba and Watermelon to establish a transmission path to the Palo Verde Hub
9 that originates at the GBPP power plant site. The only portion that would remain to be sited would
10 be a new transmission line segment between the GBPP site and the North Gila. Staff believes that
11 such a new line segment would likely enable GBPP to comply with Condition No. 17 in its power
12 plant CEC.

13 23. Staff states it proposed to remedy GBPP's deficiencies in compliance by amending
14 several of the original CEC conditions with new language that is more prescriptive to assure the
15 original purpose and intent that the conditions are achieved in a timely manner. In addition, Staff
16 proposes new conditions to bring the GBPP CEC conditions current with obligations the Commission
17 has placed on more recent power plant projects. For example, growing dependency on natural gas for
18 electric generation has caused Staff to raise natural gas issues in recent power plant and transmission
19 line siting cases. Staff has recommended new natural gas CEC conditions for the GBPP power plant
20 similar to the conditions adopted in Case No. 116 for the proposed La Paz generating facility and
21 Case No. 114 for the proposed Wellton-Mohawk generating facility.

22 24. Staff's recommended conditions for Decision Nos. 63552 and 63762 as set forth in
23 Exhibits A and B hereto, are reasonable and will correct the current deficiencies identified in the
24 CECs and bring these CECs in conformance with other more recent CECs granted by the
25 Commission.

26 CONCLUSIONS OF LAW

27 1. The Commission has jurisdiction over GBPP and the subject matter contained herein
28 pursuant to Article XV of the Arizona Constitution and A.R.S. §40-252 and § 40-360 et seq.

1 2. Notice of the proceeding has been given in the matter prescribed by law.

2 3. Amending Decision Nos. 63552 and 63762 as set forth in Exhibits A and B is in the
3 public interest in balancing the need for the projects with their impact on the environment and
4 ecology of the state.

5 **ORDER**

6 IT IS THEREFORE ORDERED that Decision No. 63552, approving a Certificate of
7 Environmental Compatibility for Gila Bend Power Partners, LLC to construct and operate a power
8 generation plant, is hereby amended to incorporate the conditions set forth in Exhibit A.

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1 IT IS FURTHER ORDERED that Decision No. 63762, approving a Certificate of
2 Environmental Compatibility for Gila Bend Power Partners, LLC, for the construction and operation
3 of its Watermelon Switchyard and Transmission Line, is hereby amended to incorporate the
4 conditions set forth in Exhibit B.

5 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

6 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

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9 CHAIRMAN


COMMISSIONER

10 
11 COMMISSIONER


COMMISSIONER


COMMISSIONER

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13 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
14 Director of the Arizona Corporation Commission, have
15 hereunto set my hand and caused the official seal of the
16 Commission to be affixed at the Capitol, in the City of Phoenix,
17 this 5th day of Dec., 2006.

18 
19 BRIAN C. McNEIL
20 EXECUTIVE DIRECTOR

21 DISSENT _____

22 DISSENT _____
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1 SERVICE LIST FOR:

GILA BEND POWER PARTNERS, LLC

2 DOCKET NO.:

L-00000V-00-0106 and L-00000V-01-0109

3
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GILA BEND POWER PARTNERS, L.L.C. POWER PLANT
PROPOSED NEW AND AMENDED CEC CONDITIONS
DOCKET NO. L-00000V-00-0106
September 27, 2006

Staff recommends the following language concerning amended and additional CEC conditions for GBPP's power plant project CEC be adopted by the Commission:

The Commission modifies the CEC by replacing the language of Condition 2 as follows:

2. Authorization to construct the project is extended five years from the original expiration date of February 7, 2006. Authorization to construct shall now expire February 7, 2011 unless construction is completed to the point that the plant is capable of operating at its rated capacity by that time; provided, however, that prior to such expiration the facility owner may request that the Commission extend this time limitation.

In extending the expiration date of the existing CEC approved in Decision No. 63552 the Commission adds the following nine new conditions:

19. The Applicant, its successor(s) or assign(s) shall submit a self-certification letter annually listing which conditions contained in the Certificate have been met. Each letter shall be submitted to the Commission's Utilities Division Director on August 1, beginning in 2007, describing conditions which have been met as of June 30. Applicant shall attach documents to the certification letters that explain, in detail, how compliance was achieved. Applicant shall also submit copies of each certification letter, along with corresponding documentation, to the Arizona Attorney General and the respective Directors of the Arizona Department of Water Resources and Arizona Department of Commerce, Energy Office. To the extent that a condition need only be fulfilled once, once Applicant has fulfilled said condition, Applicant need not report with respect to that condition in future self-certification letters.
20. Applicant shall demonstrate in its 2007 self-certification letter that it has initiated and is continuing action to comply with Condition Nos. 1, 3, 4, 14, and 17 or in the alternative provide an explanation of why it should not be considered as non-compliant with the subject conditions.
21. Applicant shall participate in Arizona subregional transmission planning forums such as SWAT and CATS on a regular basis and participate in each Biennial Transmission Assessment performed by the Commission.
22. Applicant shall document in its annual self-certification letter all steps taken in the previous year to seek a contract for capacity and energy production out of its

GILA BEND POWER PARTNERS, L.L.C. POWER PLANT
PROPOSED NEW AND AMENDED CEC CONDITIONS
DOCKET NO. L-00000V-00-0106
September 27, 2006

plant. This should include participation in any and all generation adequacy or planning workshops or assessments sponsored by the Commission.

23. Applicant will participate in good faith in Arizona and regional workshops and other assessments of the natural gas infrastructure.
24. Applicant shall pursue all necessary steps to ensure a reliable supply and delivery of natural gas for the Project.
25. Within five days of Commission approval of this CEC, Applicant shall request in writing that El Paso provide Applicant with a written report describing the operational integrity of El Paso's Southern System facilities from the Casa Grande Compressor Station to the Wenden Compressor Station. Such request shall include:
 - a. A request for information regarding inspection, replacement and/or repairs performed in this segment of El Paso's pipeline facilities since 1996 and those planned through 2006; and
 - b. An assessment of subsidence impacts on the integrity of this segment of pipeline over its full cycle, together with any mitigation steps taken to date or planned in the future.

Applicant shall file its request and El Paso's response under this docket with the Commission's Docket Control. Should El Paso not respond within thirty (30) days, Applicant shall docket a copy of Applicant's request with an advisory of El Paso's failure to respond. In either event, Applicant's responsibility hereunder shall terminate once it has filed El Paso's response or Applicant's advisory of El Paso's failure to respond.

26. In order to comply with WECC RMS requirements, Applicant shall offer as Ancillary Services a total of 10% of its total plant capacity to:
 - a. The local control area with which it is interconnected and
 - b. Arizona's regional ancillary services market,
 - i. once a Regional Transmission Organization (RTO) is declared operational by FERC order, and
 - ii. until such time that an RTO is so declared, to a regional reserve sharing pool.

GILA BEND POWER PARTNERS, L.L.C. POWER PLANT
PROPOSED NEW AND AMENDED CEC CONDITIONS
DOCKET NO. L-00000V-00-0106
September 27, 2006

27. In extending the expiration date of the Certificate the Commission considers the Certificate to be a package of inter-related requirements and conditions that must all remain in force in order to merit Commission approval. If the Applicant, its successors(s) or assignee(s) pursue a legal challenge of any condition herein, the authority to construct facilities granted by this Commission Decision shall be revoked and the Certificate rendered null and void in its entirety without further order of the Commission.

GILA BEND POWER PARTNERS, L.L.C.
WATEMELON SWITCHYARD AND TRANSMISSION LINE
PROPOSED NEW AND AMENDED CEC CONDITIONS
DOCKET NO. L-00000V-01-0109
September 27, 2006

Staff recommends the following language concerning amended and additional CEC conditions for GBPP's transmission line project CEC be adopted by the Commission:

The Commission modifies the CEC by replacing the language of Conditions 5 as follows:

5. Authorization to construct the project is extended five years from the original expiration date of April 11, 2006. Authorization to construct shall now expire April 11, 2011 unless construction is completed to the point that the 500 kV line and 500 kV switchyard are capable of operating at that time; provided, however, that prior to such expiration the facility owner may request that the Commission extend this time limitation.

In extending the expiration date of the existing CEC approved in Decision No. 63762 the Commission adds the following four new conditions:

6. The Applicant, its successor(s) or assign(s) shall submit a self-certification letter annually listing which conditions contained in the Certificate have been met. Each letter shall be submitted to the Commission's Utilities Division Director on August 1, beginning in 2007, describing conditions which have been met as of June 30. Applicant shall attach documents to the certification letters that explain, in detail, how compliance was achieved. Applicant shall also submit copies of each certification letter, along with corresponding documentation, to the Arizona Attorney General and the respective Directors of the Arizona Department of Water Resources and Arizona Department of Commerce, Energy Office. To the extent that a condition need only be fulfilled once, once Applicant has fulfilled said condition, Applicant need not report with respect to that condition in future self-certification letters.
7. Applicant shall demonstrate in its 2007 self-certification letter that it has initiated and is continuing action to comply with Condition Nos. 1, 2, and 3.H. or in the alternative provide an explanation of why it should not be considered as non-compliant with the subject conditions.
8. Applicant shall annually file ten year plans with the Commission in accordance with A.R.S. § 40-360-2.A., participate in Arizona subregional transmission planning forums such as SWAT and CATS on a regular basis, and participate in each Biennial Transmission Assessment performed by the Commission.
9. In extending the expiration date of the Certificate the Commission considers the Certificate to be a package of inter-related requirements and conditions that must all remain in force in order to merit Commission approval. If the Applicant, its

GILA BEND POWER PARTNERS, L.L.C.
WATEMELON SWITCHYARD AND TRANSMISSION LINE
PROPOSED NEW AND AMENDED CEC CONDITIONS
DOCKET NO. L-00000V-01-0109
September 27, 2006

successors(s) or assignee(s) pursue a legal challenge of any condition herein, the authority to construct facilities granted by this Commission Decision shall be revoked and the Certificate rendered null and void in its entirety without further order of the Commission.

EXHIBIT B

DECISION NO. 69177